

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 04460 090024Z

64

ACTION EUR-12

INFO OCT-01 ISO-00 PA-01 PRS-01 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FPC-01

H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00

ACDA-07 /104 W

----- 019422

R 082136Z NOV 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 1604

LIMITED OFFICIAL USE OTTAWA 4460

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: POLAR GAS PROJECT APPLICATION DELAYED

1. THE POLAR GAS CONSORTIUM WILL NOT FORMALLY APPLY TO THE NATIONAL ENERGY BOARD (NEB) UNTIL LATE 1977 OR EARLY 1978 FOR PERMISSION TO BUILD ITS GAS PIPELINE FROM THE HIGH ARCTIC ACCORDING TO A MEMBER OF THE CONSORTIUM'S EXECUTIVE COMMITTEE. QUOTED IN OCTOBER 28 GLOBE AND MAIL, HARRY LEPAGE, PRESIDENT OF PACIFIC LIGHTING GAS DEVELOPMENT, SAID THAT THE DELAY (SIX MONTHS LATER THAN PREVIOUSLY ESTIMATED) PLACES THE POLAR PIPELINE PROJECT ON A LATER SCHEDULE THAN THE MACHENZIE VALLEY LINE PROPOSED BY ARCTIC GAS PIPELINE LTD.

2. TIMING OF THE POLAR GAS APPLICATION AND CONSTRUCTION OF A HIGH ARCTIC PIPELINE HAS BEEN VIEWED AS A CRITICAL INFLUENCE IN THE DECISION TO BUILD THE ARCTIC GAS PROJECT. BECAUSE HIGH ARCTIC RESERVES (13 TRILLION CUBIC FEET) ARE LARGER THAN MACKENZIE DELTA RESERVES (6 TO 7 TRILLION CUBIC FEET), POLAR GAS OFFICIALS, SOME GOVERNMENT OFFICIALS AND PUBLIC INTEREST GROUPS WITH NATIONAL-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 04460 090024Z

IST OR ENVIRONMENTALIST ORIENTATION CONTEND THAT THE

POLAR PROJECT SHOULD BE BUILT FIRST. ARCTIC GAS,
HOWEVER, HAS ALWAYS REGARDED THE POLAR PROJECT AS A
SECOND PIPELINE TO FOLLOW ARCTIC GAS.

3. COMMENT: A HIGH-LEVEL DEPARTMENT OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT (DIAND) OFFICIAL TOLD EMBOFF
THAT ANNOUNCEMENT OF THIS DELAY HAD BEEN EXPECTED.
HE CONFIRMED THAT CONSIDERATION OF THE POLAR GAS PROJECT
IS NOW DEFINITELY IN A LATER TIME-FRAME THAN THE ARCTIC
GAS PROJECT. THIS DELAY, WHICH COULD BE A RESULT OF THE
DIFFICULT UNRESOLVED TECHNICAL PROBLEMS OF CON-
STRUCTING A PIPELINE IN THE HIGH ARCTIC, MIGHT MEAN SERIOUS
TRUBLE FOR THE POLAR PROJECT. SOME WELL-INFORMED OBSER-
VERS BELIEVE THAT THERE IS NOT SUFFICIENT CAPITAL AVAILABLE FOR
BOTH THE ARCTIC AND POLAR PROJECTS. IF THE ARCTIC PROJECT
IS APPROVED, IT MIGHT CROWD POLAR GAS OUT FOR THE
NEAR TERM.
ENDERS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, LICENSES, PIPELINES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 NOV 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OTTAWA04460
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760416-0786
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761170/aaaacjbb.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2004 by MartinML>; APPROVED <10 AUG 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: POLAR GAS PROJECT APPLICATION DELAYED
TAGS: ENRG, CA
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006